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GOVERNMENT OF CANADA

NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
1949 - 1952



EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
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NATIONAL ACCOUNTS
INCOME AND EXPENDITURE
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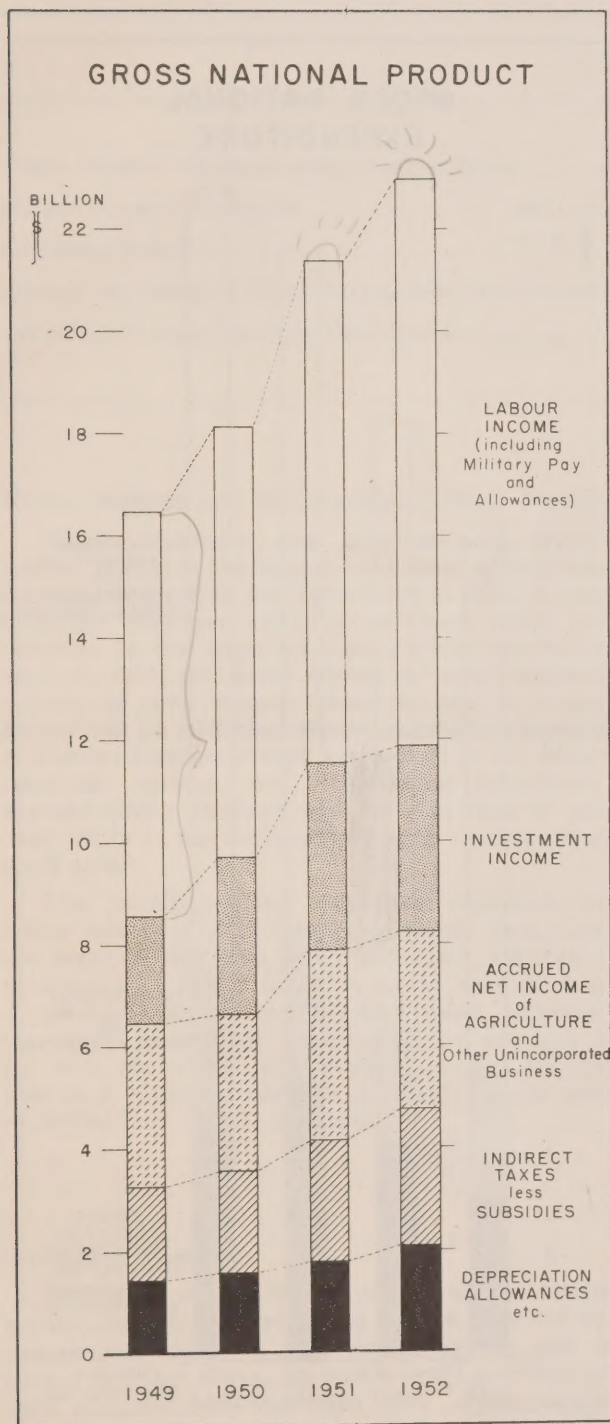
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INTRODUCTORY ANALYSIS



The latest revisions to the National Accounts for the years 1950, 1951, and 1952 are incorporated in the following tables. The 1949 figures are unchanged from those shown in the basic reference document "National Accounts, Income and Expenditure 1926-1950" (December 1951). The latter document contains a description of concepts, sources and methods used in the National Accounts. The present publication brings up to date the tables which were published in this basic reference document, and in addition, provides a number of new tables showing further detail of government revenues and expenditures¹. The main tables of Gross National Product and Gross National Expenditure are presented first, followed by price indexes (deflators) and constant dollar estimates. These are followed by the statements of transactions among major sectors; namely, persons, businesses, governments and non-residents, together with the national saving and investment account. An industrial distribution of the National Income and other aggregates and a geographical distribution of Personal Income is given, as well as tables on government revenues and expenditures, and a number of miscellaneous tables including the detail of personal expenditure. Finally, reconciliation statements for accrued net income of farm operators from farm production, gross domestic investment, exports and imports, and the federal government surplus are given.

Highlights of 1952

The year 1952 was highlighted by a number of developments which provide a perspective on the year's economic activity. In general, the adjustment of production and demand necessitated by the expanded defence programme was largely completed in 1952, and resources were made increasingly available for private use. Production in "real" terms increased by 6 per cent. There was an improved relationship between supply and demand and an abatement of inflationary pressures, permitting the lifting of consumer credit regulations and the relaxation of controls over the supply of essential materials. Farm prices fell sharply due to a severe drop in livestock prices which was aggravated by the outbreak of foot-and-mouth disease and the temporary loss of the United States market. This adverse development in the farm sector was partly offset, however, by the harvesting of the largest grain crop on record. All major price indexes

1. The historical detail of government transactions extending back to the year 1926 is published in "Government Transactions Related to the National Accounts 1926-1951", D.B.S. Reference Paper No. 39, December 1952.

showed declines throughout the year, although the average level of the consumer price index was about 2 per cent above the average for 1951. Accompanying these developments, labour income rose steadily throughout the year and on average was 11 per cent above 1951. Hence, a notable advance in "real" wages and salaries is indicated for 1952.

The general level of effective demand showed a more balanced growth in 1952 than in the preceding year. The real volume of personal expenditure on consumer goods and services turned upward early in the year after successive declines in 1951, and this rise in consumer buying continued to be one of the outstanding developments of the year. In the government sector, defence expenditures rose rapidly, and, for the year as a whole, were approaching their expected maximum level of around \$2 billion. The rate of housing construction, which had been declining sharply throughout 1951 and early 1952, picked up after the first quarter and continued to rise throughout the remainder of the year. The rate of inventory accumulation in 1952 was at a much lower rate than in 1951, with manufacturing inventories showing the major decline. In the field of Canada's foreign trade, an increase occurred in merchandise exports to overseas countries, accompanied by a decline in imports from these areas. At the same time Canada's deficit on merchandise trade with the United States was somewhat smaller in 1952. As a result of these developments, the year ended with a small surplus on overall international current account, in contrast to the deficits of the two preceding years.

Gross National Product and National Income

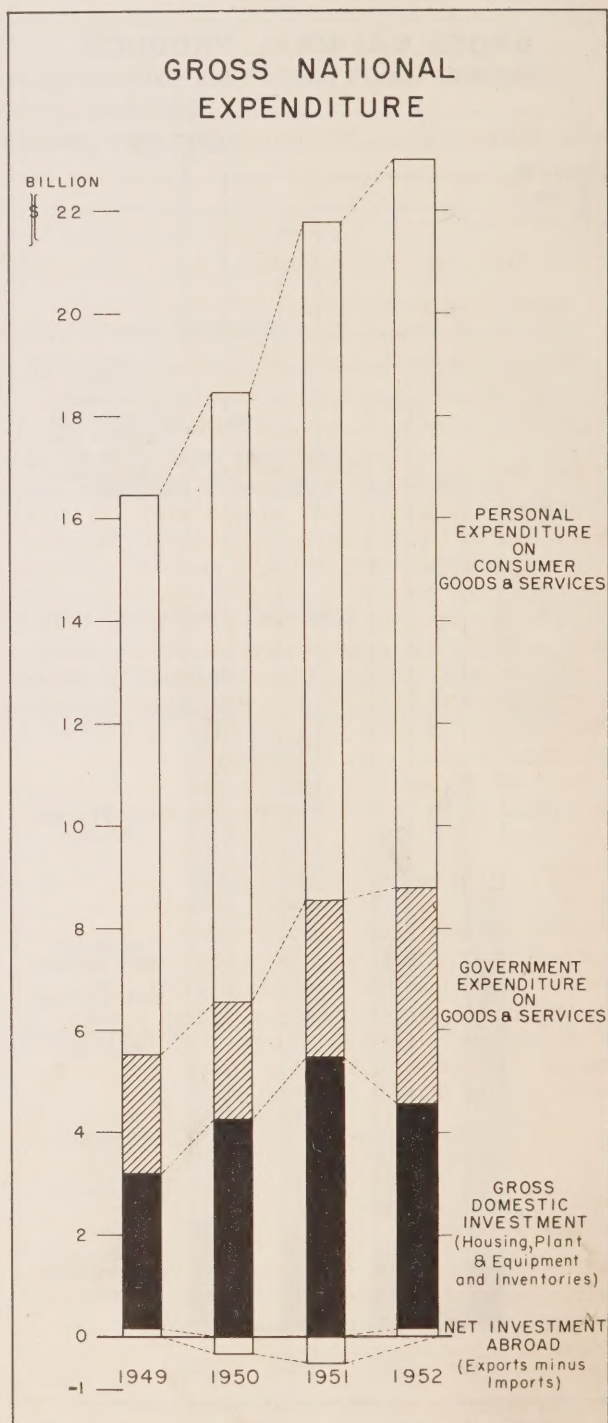
The market value of the nation's total production, as measured by Gross National Product, was \$23,011 million in 1952, compared with \$21,450 million in 1951. This represents an increase in the value of total output of 7 per cent. Almost all of the advance was accounted for by an expansion in the physical volume of production, with only a minor portion reflecting the effect of changing prices; as noted above, the physical volume increase amounted to 6 per cent, in approximate terms.

Accompanying the rise in production, there was a gain of about 1 per cent in the employed labour force. This was in contrast to the somewhat larger growth of 2 1/2 per cent in 1951. At the same time, the number of persons with jobs in agriculture declined by about 6 per cent, while non-agricultural employment was 2 1/2 per cent higher.

National Income, that is, the value of the nation's total earnings from current production is estimated at \$18,135 million in 1952, an increase of 6 per cent over the preceding year. While income originating in government, construction and service groups showed a larger advance than the overall increase of 6 per cent, the gains in manufacturing and mining

were below the general average. Income originating in agriculture and other primary industries declined (see Table 20).

In addition to the industrial distribution, the National Income may be analyzed in terms of the relative position of the different sources of earnings which arise in production. As shown in the table



below, wages and salaries accounted for a substantially greater share of the National Income in 1952 than in the preceding year (59.2 per cent compared with 56.5 per cent in 1951), while military pay and allowances also took a larger share. On the other hand, the proportion going to investment income declined, mainly as a result of the fact that

corporation profits were lower in 1952. Accrued net income of farm operators from farm production also took a substantially smaller share of the National Income in 1952, reflecting lower livestock prices and higher farm operating costs. The share going to net income of unincorporated business proprietors declined moderately.

	1951	1952
	Per Cent of Total	
Wages, Salaries and Supplementary Labour Income	56.5	59.2
Military Pay and Allowances	1.2	1.5
Investment Income	21.2	20.2
Accrued Net Income of Farm Operators from Farm Production	12.3	10.7
Net Income of Other Unincorporated Business	8.8	8.4
	100.0	100.0

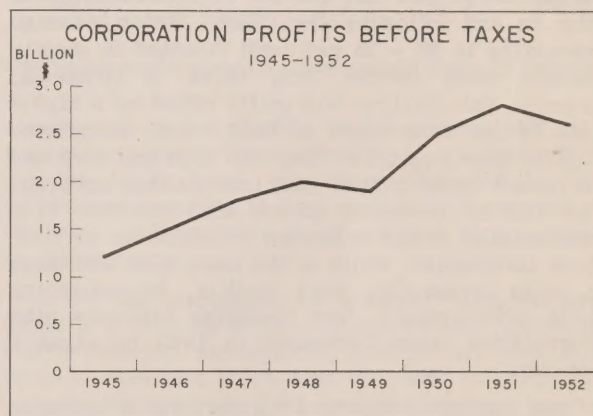
Wages, Salaries and Supplementary Labour Income

Wages, salaries and supplementary labour income, which is the largest component of National Income, amounted to \$10,743 million in 1952, a gain of 11 per cent over 1951. As has been noted, the increase in the employed labour force was quite small in 1952, and hours worked per week declined slightly in most groups. Thus, the rise in labour income can be attributed almost entirely to increases in average hourly earnings per worker. In the manufacturing, mining, and construction industries, average hourly earnings rose by more than 10 per cent, while in the services group the increase was 6 per cent.

The month-to-month advances registered in labour income in 1952 were quite steady throughout the year. As has been noted previously, they were achieved in a period in which prices were tending downward. Despite the downward trend, however, the annual average of consumer prices was still 2 per cent above the 1951 average, so that for the year as a whole the advance in "real" income was somewhat less than 11 per cent.

Investment Income

Investment income, which consists of corporation profits, interest and net rental income received by persons, government investment income, and a number of other items, showed a small increase in 1952 of 1 per cent over 1951. The largest single item, corporation profits before taxes, declined by about 6 per cent.



Interest and net rental income received by persons increased by approximately 10 per cent in 1952, with higher net rental income accounting for the greater part of the gain. A rise of 12 per cent in government investment income was accounted for in equal part by higher interest receipts and by a rise in the profits of government business enterprises.

Net Income of Unincorporated Business

Accrued net income of farm operators from farm production was \$1,934 million in 1952, a decline of \$172 million or 8 per cent from the record level of \$2,106 million established in 1951. The following table indicates the items in the consolidated operating account of farm operators which are responsible for the drop in net income.

1. Including similar business costs.

	1951	1952	Change 1952 over 1951
	(millions of dollars)		
Farm Cash Income	2,812	2,778	- 34
Income in Kind	434	434	—
Farm Inventory Change	354	238	-116
Gross Income	3,600	3,450	-150
Deduct:			
Farm Operating Expenses	-1,225	-1,293	68
Depreciation	- 196	- 212	16
Add:			
Adjustment on Grain Transactions ¹	- 36	25	61
Other Adjustments	- 37	- 36	1
Accrued Net Income of Farm Operators from Farm Production	2,106	1,934	-172

1. Includes the undistributed earnings of the Canadian Wheat Board and an inventory valuation adjustment for grain in Wheat Board channels.

The outbreak of foot-and-mouth disease in Saskatchewan and the decline in livestock prices prior to and following the United States embargo (amounting to 20 – 25 per cent) resulted in greatly reduced cash income from sales of livestock. However, this decline was partly offset by a higher cash income from sales of field crops, associated with the heavy carryover from the 1951 fall crop and the record wheat crop of 1952 (688 million bushels). The fall in livestock prices also resulted in a substantially lower valuation of additions to livestock inventories, while at the same time additions to grain inventories were smaller. Accompanying these developments, farm operating expenses plus depreciation costs increased in 1952 by about 6 per cent.

Net income of non-farm unincorporated business which includes unincorporated retailers, unincorporated manufacturing establishments, professionals and unincorporated service establishments, remained substantially unchanged from 1951. Declines in unincorporated manufacturing, repair, transportation, and the primary industries were offset by increases in the trade, construction and service groups.

The Gross National Product includes, in addition to the above factor costs which comprise the National Income, indirect taxes less subsidies and depreciation allowances and similar business costs.

Indirect Taxes Less Subsidies

Indirect taxes less subsidies increased by \$219 million, or approximately 9 per cent over 1951. An increase of \$100 million in federal indirect taxes is accounted for mainly by a gain in excise tax collections (including sales tax) of \$71 million dollars, and an increase in customs and excise duties of \$14 million and \$12 million respectively.

Although certain excise tax rates were reduced in the Budget of April 1952, the 10 per cent sales tax (of which 2 per cent is earmarked for old age security) was in effect over the full year in 1952, whereas in 1951 the tax was in force only from April 10. At the provincial and municipal level, a further gain of \$88 million in indirect tax collections was indicated, due chiefly to increases in municipal real and personal property taxes and in provincial gasoline and sales taxes.

Subsidies were \$31 million smaller in 1952 than in the previous year, reflecting the fact that in 1951 there was a \$65 million payment to farmers on account of the United Kingdom Wheat Agreement which was of a non-recurring nature. Offsetting this to some extent in 1952, there was a substantial trading loss sustained by the Agricultural Prices Support Board on beef and pork transactions.

Depreciation Allowances and Similar Business Costs

Depreciation allowances and similar business costs increased by 10 per cent in 1952 to reach a total of over two billion dollars. The major components of this item include corporation capital cost allowances and depreciation and similar charges by government business enterprises and unincorporated businesses, and estimated depreciation on farm property and tenant and owner-occupied dwellings.

Gross National Expenditure

Gross National Expenditure indicates the manner in which the nation's output is absorbed. Major developments in 1952 included a revival of consumer spending, which rose by 8 per cent in value and 6 per cent in volume terms. This contrasted with a volume decline in 1951. Further noteworthy develop-

ments were the rapid growth of government defence expenditures, a sharp decline in inventory accumulation, and the re-emergence of a favourable balance on current account in the nation's external trade. This latter factor resulted from a combination of more favourable terms of trade and a more rapid climb in export volume than in import volume.

The effect of these developments is reflected in the pattern in which the nation's output was absorbed in 1952. The following table shows how the volume increase in production was taken up by the various expenditure groups, and indicates the resulting shift in the pattern of the nation's "real" outlay.

	1951	1952	Volume Increase or Decrease	1951	1952
	Billions of Constant 1949 dollars			Per cent of Total	
Personal Expenditure on Consumer Goods and Services	11.6	12.2	.6	63.4	63.2
Government Expenditure on Goods and Services	2.7	3.5	.8	14.9	18.0
Gross Domestic Investment:					
Residential Construction7	.7	—	3.7	3.3
Non Residential Construction	1.1	1.2	.1	5.8	6.0
Machinery and Equipment	1.5	1.6	.1	8.2	8.1
Change in Inventories	1.0	.4	-.6	5.5	2.0
Exports of Goods and Services	4.4	4.9	.5	24.2	25.2
Imports of Goods and Services	-4.7	-4.9	-.2	-25.7	-25.3
Residual Error	—	-.1	-.1	—	-.5
Total¹	18.3	19.4	1.1	100.0	100.0

1. Figures will not add by +. 1 or -. 1 due to rounding. Percentages are developed from unrounded figures in Table 3.

It will be noted that consumers and government together absorbed a larger amount of output in 1952 than was available from the increase in production, while at the same time the rise in the volume of exports and in investment in durable assets accounted for a further substantial amount. The gap not covered by the production increment was met out of resources made available by the sharp decline in inventory accumulation in 1952, and by an increase in the volume of imports.

Despite the absolute increase in the volume of consumer spending in 1952, the share of real Gross National Product going to consumers was somewhat smaller than in 1951. Investment in fixed durable

assets also took a slightly smaller share, while the proportion going to inventories showed a sharp drop. On the other hand, the share absorbed by the government rose from 14.9 per cent to 18.0 per cent of the total, while exports increased from 24.2 per cent to 25.2 per cent.

With the exception of certain cost factors entering into construction, machinery and equipment and government expenditure, prices were generally level or declining throughout the year; however, the average for the year 1952 over the average for the previous year was higher. Value, price, and quantity percentage changes are furnished in the accompanying table.

Value, Volume and Price Percentage Changes in Gross National Expenditure Components, from 1951 to 1952

	Value	Volume	Price
Personal Expenditure on Consumer Goods and Services	+ 8	+ 6	+ 2
Government Expenditure	+ 31	+ 28	+ 3
New Residential Construction	+ 3	+ 0	+ 3
New Non-Residential Construction	+ 17	+ 10	+ 7
Machinery and Equipment	+ 5	+ 5	0
Exports of Goods and Services	+ 10	+ 11	- 1
Deduct:			
Imports of Goods and Services	- 4	+ 4	- 8
Gross National Expenditure¹	+ 7	+ 6	+ 4

1. Note that the product of volume and price indexes of 106 and 104 respectively, is not equal to the value index of G.N.E. of 107, because of the inventory valuation adjustment. The latter is explained in full on pages 28 and 127 of "National Accounts, Income and Expenditure, 1926-1950". It is the difference between book value change of business inventories and the value of their physical change. The book value figures are shown in Table 2.

Personal Expenditure on Consumer Goods and Services

Personal expenditure on consumer goods and services amounted to \$14,334 million in 1952, a gain of 8 per cent over 1951. Inasmuch as consumer prices rose only slightly in the year to year comparison, the volume increase was approximately 6 per cent. As noted above, this was in contrast to a volume decline in 1951, when consumer purchases, particularly of durable goods, were lagging. The upsurge of consumer buying in 1952 was thus one of the major factors behind the rise in Gross National Product. Accompanying this development, there were decreases in a number of excise taxes on durable goods in the April 1952 Budget. Consumer credit regulations were removed shortly thereafter, and a substantial rise occurred in the amount of consumer instalment credit outstanding.

Sales of automobiles, appliances and furniture all showed substantial gains throughout the year, so that on balance personal expenditure on durables in 1952 was 11 per cent higher in value and 9 per cent in volume than in the preceding year. Non-durable goods as a whole were 6 per cent higher than in 1951 and as prices were almost stable, the volume gain was approximately the same. Services showed

a steady increase throughout the year and were about 11 per cent higher than in 1951 in value and about 2 per cent in volume.

It is interesting to note that in volume terms, consumption per capita in 1952 was almost as high as that achieved in 1950, and appreciably higher than that of 1948, 1949 or 1951. Per capita durable goods purchases in particular were notably above that of all the other years, 1950 excepted.

Government Expenditure on Goods and Services

Government expenditure on goods and services rose to \$4,216 million in 1952, a gain of 31 per cent over the previous year. Defence expenditures rose to \$1,832 million, accounting for two-thirds of the increase in total government expenditure over 1951. Federal non-defence expenditures increased by \$129 million, or 24 per cent, over 1951, mainly owing to a large net change in inventories of government commodity agencies from minus \$16 million in 1951 to plus \$77 million in 1952; salaries and wages also accounted for a considerable part of the increase. At the provincial and municipal levels, there were higher expenditures of \$186 million, or 12 per cent, accounted for by increases in highway maintenance, construction, public health and general administration.

Government Expenditure on Goods and Services, 1949-1952

	1949	1950	1951	1952
	(millions of dollars)			
1. Federal Defence	361	493	1,143	1,832
2. Federal Non-Defence (ex Inventories)	487	506	551	587
3. Federal Non-Defence, Inventory Change	32	- 19	- 16	77
4. Federal Total Expenditures (1+2+3)	880	980	1,678	2,496
5. Provincial and Municipal Expenditures	1,248	1,346	1,534	1,720
6. Government Expenditure on Goods and Services (4+5)	2,128	2,326	3,212	4,216

Gross Domestic Investment (Excluding Inventory Change)

New residential construction showed a 3 per cent gain in value over the year 1951, despite a reduced level of activity in the early part of 1952. A substantial increase in activity in the closing months of the year more than offset the slack in the earlier period. A small decline in the volume of housing put in place is indicated since construction costs rose somewhat more than the estimated value.

New non-residential construction was 17 per cent higher than in 1951. After allowance for higher price factors the increase in volume appears to have been about 10 per cent. Investment in new machinery and equipment, on the other hand, increased only by 5 per cent in value; since prices were only slightly higher, the volume increase was approximately the same.

Change in Inventories

The value of investment in inventories in 1952 totalled \$278 million, in striking contrast to the 1951 figure of \$1,620 million. It should be noted that, with respect to investment in business inventories, the figures refer to the change in book values, and these reflect inventory gains or losses which arise through the effect of changing prices upon the valuation of inventory stocks. When allowance is made for this factor, and the resulting value of the physical change in current prices is further adjusted to constant dollar terms, the volume of inventory accumulation is also seen to be substantially lower in 1952 than in 1951, though to a lesser extent. Value and volume changes in inventory accumulation between the two years are shown in the following table:

	Value (Current \$)		Volume (Constant 1949 \$)	
	1951	1952	1951	1952
Change in Business Inventories ¹	1,266	- 52	607	13
Change in Farm Inventories ²	354	238	381	275
Change in Grain in Commercial Channels ²	—	92	12	103
Change in Total Inventories	1,620	278	1,000	391

1. Value change is in terms of book value and includes inventory gains of \$557 million in 1951 and inventory losses of \$51 million in 1952.

2. Value change is in terms of the value of physical change.

Business inventories in 1952, measured at book value, showed a small net liquidation, in contrast to the very heavy build-up of 1951, which amounted to \$1,266 million. Manufacturing inventories figured most prominently in this change in the direction of business inventory movements, shifting from a position of net accumulation in 1951 of \$723 million to one of net liquidation in 1952 of \$98 million (see Table 26). A similar development occurred in the wholesale trade group which showed a small net decline in 1952 compared with a substantial build-up in the previous year. In retail trade, the rate of accumulation fell off sharply as compared with 1951, though it was still positive.

Additions to farm inventories (measured at the value of physical change) were smaller in 1952 than in 1951 by about \$116 million. On the same basis of valuation, investment in grain in commercial channels, which showed no net change in 1951, amounted to \$92 million in 1952.

Transaction with Non-Residents

A rise in total value of exports of goods and services of about 10 per cent as compared with 1951, coupled with a moderate decline in value of imports of goods and services in the same period, combined to yield a net surplus on international account during 1952, following substantial deficits incurred during 1950 and 1951. The surplus is estimated tentatively at some \$164 million in 1952. Chief contributing factors here were a substantial increase in merchandise exports, and an appreciable decline in merchandise imports as compared with 1951. At the same time, the terms of trade became more favourable in 1952, with export prices remaining fairly stable, while import prices fell by about 8 per cent. These developments yielded an increase in total export volume of approximately 11 per cent, while total import volume rose by 4 per cent¹. (These percentage changes apply to the total of goods and services combined.)

The shift in the balance on current international account from a deficit position in 1951 to a surplus in 1952 was mainly due to the increase of \$574 million in the surplus on transactions with overseas countries which arose through an increase in mer-

chandise exports and a drop in merchandise imports. At the same time, Canada's deficit with the United States was somewhat smaller in 1952 as a result of a small improvement in the merchandise trade balance and lower net payments of interest and dividends.

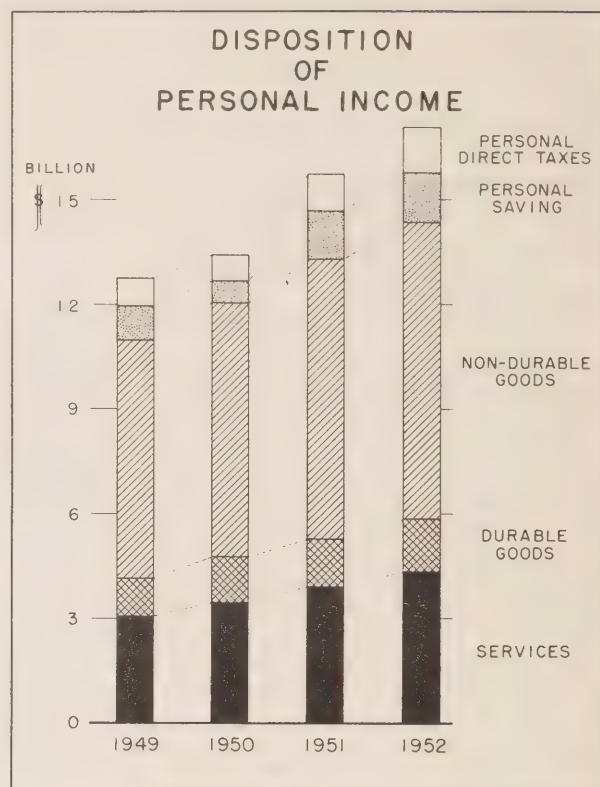
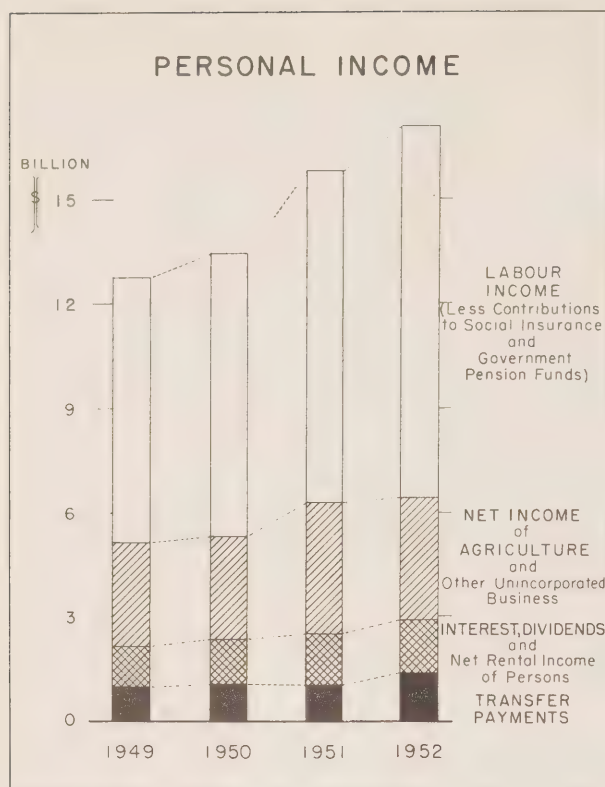
Personal Income, Personal Direct Taxes and Personal Saving

Personal Income is the sum of all current receipts of income, whether in cash or in kind. It differs from National Income in that it excludes all current earnings not paid out to persons, such as undistributed profits, and includes receipts which have not been earned in the course of production, that is, transfer payments such as family allowances and unemployment insurance benefits.

Personal Income amounted to \$17,073 million in 1952, an increase of 9 per cent over the previous year. Wages, salaries and supplementary labour income rose by 11 per cent, or somewhat more than the average. Interest, dividends and net rental income of persons increased by 8 per cent, while net income of unincorporated business (including net income of farm operators) fell by 6 per cent. Transfer payments (excluding government interest) rose substantially by \$343 million or 32 per cent, owing in the main to the new federal old age security program.

Direct personal taxes rose by \$292 million or 28 per cent over 1951. This increase was almost wholly due to the rise in personal income tax collections by the federal government. As a percentage of Personal Income, personal direct taxes were 6.5 per cent in 1951 and 7.7 per cent in 1952.

1. The current account of the balance of payments takes account of the time lag between prepayment for defence equipment imports and the actual importation of this equipment. In other words, payments for defence purchases abroad have been substituted for the actual physical imports as shown by recorded commodity trade statistics. This is in keeping with the treatment of government expenditures in the National Accounts, which also show the payment at the time it takes place. While this and other adjustments to recorded commodity imports are not large as a per cent of total imports the commodity trade surplus itself was increased substantially by these adjustments in 1952.



Personal disposable income, that is, Personal Income less personal direct taxes rose by \$1,070 million or 7% over 1951. Personal expenditure rose by \$1,037 million in the same comparison, so that the residual item of personal saving remained relatively unchanged at \$1,419 million, compared with \$1,386 million in 1951.

It should be noted that personal saving as computed in the National Accounts is a residual item, being the difference between personal disposable income and personal expenditure on consumer goods and services. It includes changes in bank deposits of individuals, personal purchases of bonds, the savings portion of life insurance premiums, repayment of debt, (including residential mortgages) and many other items. A considerable portion of the saving figure is also represented by that part of the net income of individual enterprises (such as farmers, doctors and small retailers) which remains in the business in the form of new investment in durable assets or in additions to inventories. It follows that the above saving figure is only partly represented by assets which are in more or less liquid form.

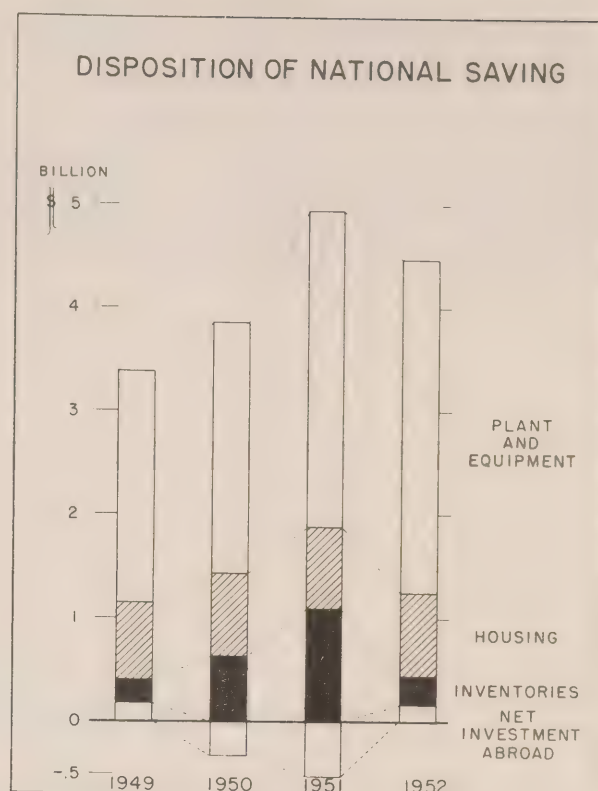
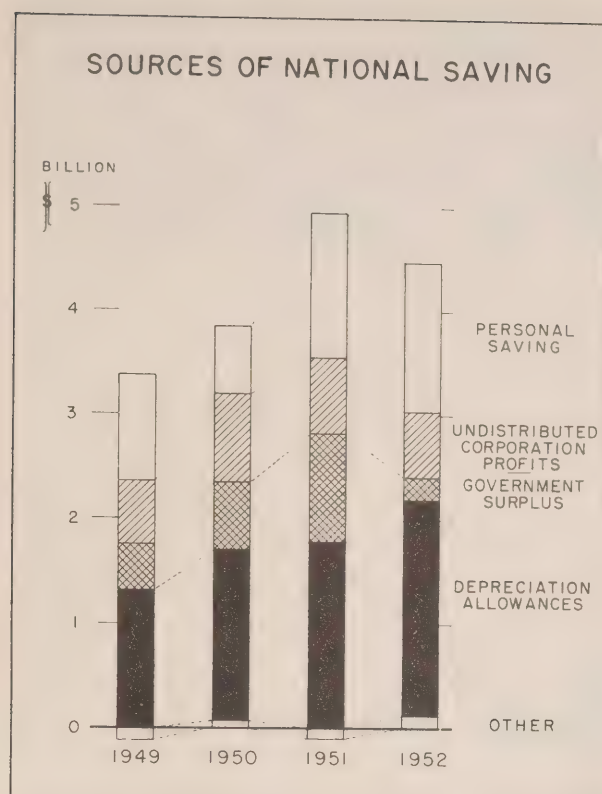
With the large item of additions to farm inventories excluded, personal saving was \$1,032 million in 1951 and \$1,181 million in 1952. These figures constituted 7.0% and 7.5% respectively of personal disposable income in these two years.

National Saving and Investment

Gross national saving is defined as the portion of Gross National Product not used for current consumption. Gross investment is defined as the portion of current output used to increase and maintain the country's stock of capital goods at home and net assets abroad. Since output must either be consumed or invested it follows that gross national saving is equal to gross investment.

Gross national saving declined by about 10 per cent in 1952, from \$4,941 million in 1951 to \$4,461 million. As a percentage of the Gross National Product, national saving fell from 23.0% in 1951 to 19.4% in 1952. The main factor behind this drop in the nation's total saving was the large decline in the consolidated government surplus¹, from \$1,044 million in 1951 to \$214 million in 1952, associated with the large rise in defence spending in 1952. The saving of the private sector of the economy, on the other hand, rose by about \$200 million in 1952, but was not sufficient to offset the drop in the government surplus. This rise in the saving of the private sector was due chiefly to the increase in depreciation allowances. There was little change in total personal saving, while undistributed corporation profits declined.

1. It should be noted that the conventional accounting statements of the various governments have been adjusted to include only those transactions which have relevance for the National Accounts. See Table 50.



	1951	1952	Change 1951 to 1952
(Billions of Dollars)			
Gross Private Saving:			
Personal Saving	1.4	1.4	—
Undistributed Corporation Profits7	.6	- .1
Depreciation Allowances	1.9	2.1	.2
Other	-.1	—	.1
Government Surplus	1.0	.2	- .8
Residual Error	—	.1	.1
Gross National Saving¹	4.9	4.5	- .5
Gross Domestic Investment			
Gross Domestic Investment (ex. inventories)	3.8	4.1	.3
Change in Inventories	1.6	.3	- 1.3
Net Foreign Investment	-.5	.2	.7
Residual Error	—	-.1	-.1
Gross National Investment¹	4.9	4.5	- .5

1. Figures will not add by +.1 or -.1 due to rounding.

Turning to the disposition of the nation's saving in 1952, two developments are of outstanding importance. The first was the large drop in the rate of inventory accumulation from \$1,620 million in 1951 to \$278 million in 1952; the second was the shift in the balance of the nation's current international account from a position of a large net deficit of \$524 million in 1951 to that of a moderate surplus of \$164 million in 1952. Thus, in 1952 gross national saving (i.e. current output not used for consumption) was utilized to a much smaller extent

in building up the nation's inventory stocks than in the preceding year. At the same time, there was a net export surplus in 1952, in contrast to the situation in 1951 when Canada absorbed more than \$500 million, on balance, from foreign sources (i.e. there was a net disinvestment on Canada's foreign account). Rounding out the saving-investment picture, gross domestic investment in durable assets increased by \$328 million in 1952, absorbing the balance of gross national saving not accounted for above.

Section 1
INCOME AND EXPENDITURE ACCOUNTS

A. Summary Tables

TABLE 1. National Income and Gross National Product, 1949-1952¹

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Wages, Salaries and Supplementary Labour Income	7,761	8,311	9,676	10,743
2	Military Pay and Allowances	115	137	201	270
3	Investment Income	2,445	3,155	3,642	3,666
	Net Income of Unincorporated Business:				
4	Accrued Net Income of Farm Operators from Farm Production ²	1,504	1,503	2,106	1,934
5	Net Income of Non-farm Unincorporated Business ³	1,369	1,444	1,503	1,522
6	Net National Income at Factor Cost	13,194	14,550	17,128	18,135
7	Indirect Taxes Less Subsidies	1,830	2,018	2,468	2,687
8	Depreciation Allowances and Similar Business Costs	1,437	1,636	1,889	2,070
9	Residual Error of Estimate	1	- 1	- 35	+ 119
10	Gross National Product at Market Prices	16,462	18,203	21,450	23,011

1. Includes Newfoundland, throughout this publication. In 1948, the last year before accession, Newfoundland's Gross National Product was about \$175 million.

2. This item includes the undistributed earnings of the Canadian Wheat Board, and an inventory valuation adjustment for grain in Wheat Board channels, on a calendar year basis. See footnote (4), Table 49.

3. Includes net income of independent professional practitioners.

TABLE 2. Gross National Expenditure, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Personal Expenditure on Consumer Goods and Services ¹	10,963	12,029	13,297	14,334
2	Government Expenditure on Goods and Services ²	2,128	2,326	3,212	4,216
	Gross Domestic Investment: ³				
3	New Residential Construction	742	801	781	803
4	New Non-Residential Construction	903	1,026	1,260	1,476
5	New Machinery and Equipment	1,323	1,389	1,769	1,859
6	Change in Inventories	231	960	1,620	278
7	Exports of Goods and Services ⁴	4,011	4,133	5,089	5,581
8	Deduct: Imports of Goods and Services	- 3,837	- 4,513	- 5,613	- 5,417
9	Residual Error of Estimate	- 2	+ 2	+ 35	- 119
10	Gross National Expenditure at Market Prices	16,462	18,203	21,450	23,011

1. For detail, see Table 43.

2. Includes defence expenditures as follows; 1949, \$361 million; 1950, \$493 million; 1951, \$1,143 million; 1952, \$1,832 million. Includes outlay on new durable assets such as building and highway construction by governments, other than government business enterprises. Also includes the change in inventories of government commodity agencies and the Defence Production Revolving Fund. Excludes shipments of previously produced military equipment shipped to N.A.T.O. countries but includes replacements of new equipment.

3. Includes capital expenditures by private and government business enterprises, private non-commercial institutions, and outlays on new residential construction by individuals and business investors.

4. Excludes shipments of military equipment to N.A.T.O. countries under the Defence Appropriation Act. See also Table 52.

TABLE 3. Gross National Expenditure in Constant (1949) Dollars, 1949-1952¹

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Personal Expenditure on Consumer Goods and Services	10,963	11,645	11,593	12,241
2	Government Expenditure on Goods and Services	2,128	2,215	2,727	3,493
	Gross Domestic Investment:				
3	New Residential Construction	742	760	650	649
4	New Non-Residential Construction	903	970	1,061	1,164
5	New Machinery and Equipment	1,323	1,317	1,499	1,569
6	Change in Inventories	73	591	1,000	391
7	Exports of Goods and Services	4,011	4,034	4,418	4,883
8	Deduct: Imports of Goods and Services	- 3,837	-4,210	-4,701	-4,907
9	Sub Total	16,306	17,322	18,247	19,483
10	Residual Error of Estimate	- 2	2	31	-100
11	Gross National Expenditure in Constant (1949) Dollars	16,304	17,324	18,278	19,383
12	Index of Gross National Expenditure in Constant (1949) Dollars	100.0	106.3	112.1	118.9

TABLE 4. Implicit Price Deflators — Gross National Expenditure, 1949-1952¹
(1949=100)

No.		1949	1950	1951	1952
1	Personal Expenditure on Consumer Goods and Services	100.0	103.3	114.7	117.1
2	Government Expenditure on Goods and Services	100.0	105.0	117.8	120.7
	Gross Domestic Investment:				
3	New Residential Construction	100.0	105.4	120.1	123.7
4	New Non-Residential Construction	100.0	105.8	118.8	126.8
5	New Machinery and Equipment	100.0	105.5	118.0	118.5
6	Exports of Goods and Services	100.0	103.7	115.2	114.3
7	Deduct: Imports of Goods and Services	100.0	107.2	119.4	110.4
8	Residual Error of Estimate	100.0	102.5	114.3	119.0
9	Gross National Expenditure^{1*}	100.0	102.5	114.3	119.0
	* The price deflator for Gross National Expenditure is calculated as follows:				
1	Sub-total Gross National Expenditure in Current Dollars excluding Residual Error (see Table 2)	16,464	18,201	21,415	23,130
2	Inventory Valuation Adjustment	- 158	-444	-557	+51
3	Equals Adjusted Value of Gross National Expenditure	16,306	17,757	20,858	23,181
4	Divide by Sub-total in Constant 1949 Dollars (line 9, Table 3)	16,306	17,322	18,247	19,483
5	Equals Implicit Price Index (line 9, Table 4)	100.0	102.5	114.3	119.0

1. These tables are given on a 1935-39 base at page 48 below in order to provide continuity with similar tables in "National Accounts, Income and Expenditure, 1926-1950".

TABLE 5. Relation Between Net National Income at Factor Cost, Personal Income, Personal Disposable Income and Personal Saving, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Net National Income at Factor Cost	13,194	14,550	17,128	18,135
2	Add—Transfer Payments (excluding interest on transfer portion of public debt and charitable contributions from corporations) ¹	971	1,056	1,055	1,395
3	Add—Transfer Portion of Interest on the Public Debt ¹	475	442	451	465
4	Deduct—Earnings Not Paid Out to Persons ²	- 1,883	- 2,634	- 2,923	- 2,922
5	Equals—Personal Income	12,757	13,414	15,711	17,073
6	Deduct—Personal Direct Taxes	- 789	- 740	- 1,028	- 1,320
7	Equals—Personal Disposable Income	11,968	12,674	14,683	15,753
8	Deduct—Personal Expenditure on Consumer Goods and Services	10,963	12,029	13,297	14,334
9	Equals—Personal Saving	1,005	645	1,386	1,419
10	Change in Farm Inventories (Value of Physical Change)	- 72	+ 131	+ 354	+ 238
11	Personal Saving excluding Change in Farm Inventories	1,077	514	1,032	1,181

1. Since National Income excludes transfer payments and Personal Income includes them, items 2 and 3 are added back here. However, charitable contributions from corporations are not added since they are included in National Income.

2. This item includes: undistributed corporation profits, corporation profits taxes, withholding taxes, government investment income, adjustment on grain transactions, and employer and employee contributions to social insurance and government pension funds.

Section 1

INCOME AND EXPENDITURE ACCOUNTS

**B. Analysis of Income and Expenditure Accounts
by Sectors of the Canadian Economy**

TABLE 6. Personal Income and Expenditure Account, 1949-1952
Income

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Wages, Salaries and Supplementary Labour Income:				
	(a) From business (27a)	6,679	7,162	8,347	9,276
	(b) From governments (19bi)	876	933	1,086	1,204
	(c) From persons (8b)	206	216	243	263
	(d) Deduct employer and employee contributions to social insurance and government pension funds (16)	- 239	- 256	- 313	- 336
2	Military Pay and Allowances (19bii)	115	137	201	270
3	(a) Net income received by farm operators from farm production ¹ (27b)	1,600	1,402	2,142	1,909
	(b) Net income of non-farm unincorporated business (27c)	1,369	1,444	1,503	1,522
4	Interest, dividends and net rental income of persons ² (45a)	1,157	1,295	1,420	1,540
5	Transfer Payments (excluding interest):				
	(a) From governments (20b)	950	1,033	1,030	1,370
	(b) Charitable contributions from corporations (45b)	23	25	27	30
	(c) Net bad debt losses of corporations (49c)	21	23	25	25
6	Total	12,757	13,414	15,711	17,073

1. This item differs from line 4 of Table 1 in that it excludes undistributed earnings (and the inventory valuation adjustment) of the Canadian Wheat Board, on a calendar year basis.

2. Includes all government debt interest paid to persons.

TABLE 7. Personal Income and Expenditure Account, 1949-1952
Expenditure

No.		1949	1950	1951	1952
		(millions of dollars)			
7	Personal Direct Taxes:				
	(a) Income taxes (11a)	677	612	891	1,177
	(b) Succession duties (11b)	55	66	69	71
	(c) Miscellaneous (11c)	57	62	68	72
8	Purchase of Goods and Services:				
	(a) From business (23a)	10,528	11,544	12,714	13,665
	(b) Direct services (1c)	206	216	243	263
	(c) Tourist and travel expenditure:				
	(i) U.S.A. (33ai)	164	193	246	294
	(ii) U.K. and other Sterling Area ² (33aii)	21	24	25	30
	(iii) Other countries (33aiii)	7	9	9	12
	(d) Other expenditure abroad (33b)	37	43	60	70
9	Personal Saving ¹ (48)	1,005	645	1,386	1,419
10	Total	12,757	13,414	15,711	17,073

1. This series includes changes in farm inventories. See Table 5.

2. See footnote 2, Table 12.

TABLE 8. Government Revenue and Expenditure Account, 1949-1952¹

Revenue

No.		1949	1950	1951	1952
		(millions of dollars)			
11	Direct Taxes — Persons:				
	(a) Income taxes (7a)	677	612	891	1,177
	(b) Succession duties (7b)	55	66	69	71
	(c) Miscellaneous (7c).....	57	62	68	72
12	Direct Taxes — Corporations:				
	(a) Income and excess profits taxes (45c)	731	981	1,429	1,372
13	Withholding Taxes (45d)	47	54	56	55
14	Indirect Taxes (28a)	1,907	2,081	2,596	2,784
15	Investment Income:				
	(a) Interest (45f).....	165	155	180	205
	(b) Profits of government business enterprises (45e).....	192	245	263	290
16	Employer and employee contributions to social insurance and government pension funds (1d)	239	256	313	336
17	Deficit (+) or Surplus (-) (on transactions relating to the National Accounts) ² (50).....	- 440	- 648	- 1,044	- 214
18	Total ³	3,630	3,864	4,821	6,148

1. See also Table 32.

2. For a reconciliation of the federal content of this consolidated surplus (or deficit) with the conventional federal budgetary surplus (or deficit), see Table 50.

3. It will be noted that in addition to total revenue, this item includes the government deficit or surplus.

TABLE 9. Government Revenue and Expenditure Account, 1949-1952¹

Expenditure

No.		1949	1950	1951	1952
		(millions of dollars)			
19	Purchase of Goods and Services:				
	(a) From business ² (23b)	1,040	1,150	1,820	2,623
	(b) Direct services:				
	(i) Wages and salaries (1b)	876	933	1,086	1,204
	(ii) Military pay and allowances (2).....	115	137	201	270
	(iii) Interest (42a)	97	106	105	119
20	Transfer Payments:				
	(a) Interest (42b)	475	442	451	465
	(b) Other (5a)	950	1,033	1,030	1,370
21	Subsidies (28b).....	77	63	128*	97
22	Total	3,630	3,864	4,821	6,148

1. See also Table 33.

2. See footnote 2, Table 2.

* Includes \$65 million payment to farmers on account of the United Kingdom Wheat Agreement.

TABLE 10. Business Operating Account, 1949-1952
Revenue

No.		1949	1950	1951	1952
		(millions of dollars)			
23	Sales to Residents:				
	(a) Persons (8a).....	10,528	11,544	12,714	13,665
	(b) Governments ¹ (19a).....	1,040	1,150	1,820	2,623
	(c) Business on capital account ² :				
	(i) New residential construction (53a).....	742	801	781	803
	(ii) New non-residential construction (53b).....	903	1,026	1,260	1,476
	(iii) New machinery and equipment (53c).....	1,323	1,389	1,769	1,859
	(iv) Change in inventories (53d).....	231	960	1,620	278
24	Sales to Non-Residents:				
	(a) U.S.A. (37ai).....	2,204	2,796	3,089	3,166
	(b) U.K. and other Sterling Area ³ (37aii).....	1,182	797	1,071	1,191
	(c) Other countries (37aiii).....	542	499	814	1,078
25	Residual Error of Estimate	-2	2	35	-119
26	Total	18,693	20,964	24,973	26,020

1. See footnote 2, Table 2.

2. See footnote 3, Table 2.

3. See footnote 2, Table 12.

TABLE 11. Business Operating Account, 1949-1952
Expenditure

No.		1949	1950	1951	1952
		(millions of dollars)			
27	Factor Costs:				
	(a) Wages, salaries and supplementary labour income (1a).....	6,679	7,162	8,347	9,276
	(b) Net income received by farm operators from farm production ¹ (3a).....	1,600	1,402	2,142	1,909
	(c) Net income of non-farm unincorporated business (3b).....	1,369	1,444	1,503	1,522
	(d) Adjustment on grain transactions ² (49d).....	-96	101	-36	25
	(e) Corporation profits (excluding interest and dividends from non-residents) ³ (40).....	1,884	2,476	2,781	2,586
	(f) Other investment income (excluding interest on the public debt) (41).....	771	957	1,091	1,228
28	Other Costs:				
	(a) Indirect taxes (14).....	1,907	2,081	2,596	2,784
	(b) Less subsidies (21).....	-77	-63	-128*	-97
	(c) Depreciation allowances and similar business costs (49b).....	1,437	1,636	1,889	2,070
29	Purchases from Non-Residents:				
	(a) U.S.A. (32ai).....	2,311	2,612	3,428	3,406
	(b) U.K. and other Sterling Area (32aii).....	560	727	822	649
	(c) Other countries (32aiii).....	347	430	573	543
30	Residual Error of Estimate	1	-1	-35	119
31	Total	18,693	20,964	24,973	26,020

1. See footnote 1, Table 6.

2. This item includes the undistributed earnings of the Canadian Wheat Board, and an inventory valuation adjustment for grain in Wheat Board channels, on a calendar year basis. See footnote 4, Table 49.

3. For total corporation profits, see footnote 1, Table 14. See also Table 45.

* Includes \$65 million payment to farmers on account of the United Kingdom Wheat Agreement.

TABLE 12. Non-Residents' Revenue and Expenditure Account, 1949-1952¹
 Receipts from Canada
 (Canadian Imports)

No.		1949	1950	1951	1952
		(millions of dollars)			
32	Receipts from Business:				
	(a) Other than interest and dividends:				
	(i) U.S.A. (29a)	2,311	2,612	3,428	3,406
	(ii) U.K. and other Sterling Area ² (29b)	560	727	822	649
	(iii) Other countries (29c)	347	430	573	543
	(b) Interest and dividends:				
	(i) U.S.A. (46ai)	275	354	321	285
	(ii) U.K. and other Sterling Area ² (46aii)	50	49	52	51
	(iii) Other countries (46aiii)	7	8	9	11
33	Receipts from Persons:				
	(a) Tourist and Travel Expenditure:				
	(i) U.S.A. (8ci)	164	193	246	294
	(ii) U.K. and other Sterling Area ² (8cii)	21	24	25	30
	(iii) Other countries (8ciii)	7	9	9	12
	(b) All other receipts (all countries) (8d)	37	43	60	70
34	Receipts from Government:				
	Interest:				
	(a) U.S.A. (46bi)	50	57	61	59
	(b) U.K. and other Sterling Area ² (46bii)	6	5	5	5
	(c) Other countries (46biii)	2	2	2	2
35	Net Debit (+) or Credit (-) on Current Account:				
	(a) U.S.A. (54a)	- 570	- 384	- 928	- 814
	(b) U.K. and other Sterling Area ² (54b)	551	- 1	193	484
	(c) Other countries (54c)	193	55	211	494
36	Total	4,011	4,183	5,089	5,581

1. These figures differ from those shown in reports on "The Canadian Balance of International Payments", Dominion Bureau of Statistics, because adjustments have been made to the figures of receipts and payments to achieve consistency with other component series. See Table 52.

2. Since 1940. Prior to 1940 (See National Accounts, Income and Expenditure 1926-1950) read "U.K. and other Commonwealth".

TABLE 13. Non-Residents' Revenue and Expenditure Account, 1949-1952¹
 Payments to Canada
 (Canadian Exports)

No.		1949	1950	1951	1952
		(millions of dollars)			
37	Payments to Business:				
	(a) Payments other than interest and dividends:				
	(i) U.S.A. (24a)	2,204	2,796	3,089	3,166
	(ii) U.K. and other Sterling Area ² (24b)	1,182	797	1,071	1,191
	(iii) Other countries (24c)	542	499	814	1,078
	(b) Interest and dividends (all countries) (43a)	22	30	29	54
38	Payments to Other Sectors:				
	Interest and dividends (all countries) (43b)	61	61	86	92
39	Total	4,011	4,183	5,089	5,581

1. See footnote 1 to Table 12.

2. See footnote 2 to Table 12.

TABLE 14. Investment Income Appropriation Account, 1949-1952

Source

No.		1949	1950	1951	1952
(millions of dollars)					
40	Corporation Profits ¹ (excluding interest and dividends from non-residents) (27e)	1,884	2,476	2,781	2,586
41	Other investment income (excluding interest on the public debt) (27f)	771	957	1,091	1,228
42	Interest on the Public Debt:				
	(a) Portion included in national income (19biii)	97	106	105	119
	(b) Transfer portion (20a)	475	442	451	465
43	Interest and Dividends from Non-Residents received by:				
	(a) Corporations (37b)	22	30	29	54
	(b) Other Sectors (38)	61	61	86	92
44	Total	3,310	4,072	4,543	4,544

1. To obtain total corporation profits, add items 40 and 43(a). See also Table 45.

TABLE 15. Investment Income Appropriation Account, 1949-1952

Disposition

No.		1949	1950	1951	1952
(millions of dollars)					
45	To Canadian Residents:				
	(a) Interest, dividends and net rental income of persons (4)	1,157	1,295	1,420	1,540
	(b) Charitable contributions from corporations (5b)	23	25	27	30
	(c) Corporation income and excess profits taxes (12a)	731	981	1,429	1,372
	(d) Withholding taxes (13)	47	54	56	55
	(e) Profits of government business enterprises (15b)	192	245	263	290
	(f) Government interest revenue (15a)	165	155	180	205
	(g) Undistributed corporation profits (49a)	607	844	721	634
	(h) Inventory valuation adjustment (n.e.i.) ¹ (49e)	- 2	- 2	- 3	5
46	To Non-Residents, Interest and Dividends received from:				
	(a) Business:				
	(i) U.S.A. (32bi)	275	354	321	285
	(ii) U.K. and other Sterling Area (32bii)	50	49	52	51
	(iii) Other countries (32biii)	7	8	9	11
	(b) Government:				
	(i) U.S.A. (34a)	50	57	61	59
	(ii) U.K. and other Sterling Area (34b)	6	5	5	5
	(iii) Other countries (34c)	2	2	2	2
47	Total	3,310	4,072	4,543	4,544

1. This adjustment applies only to grain in commercial channels other than the Canadian Wheat Board. An inventory valuation adjustment for grain held by this agency is included with "adjustment on grain transactions" (see item 27d, Table 11).

TABLE 16. National Saving and Investment Account, 1949-1952
Saving

No.		1949	1950	1951	1952
		(millions of dollars)			
48	Personal Saving (9)	1,005	645	1,386	1,419
49	Gross Business Saving:				
	(a) Undistributed corporation profits (45g)	607	844	721	634
	(b) Depreciation allowances and similar business costs (28c)	1,437	1,636	1,889	2,070
	(c) Net bad debt losses of corporations ¹ (5c)	- 21	- 23	- 25	- 25
	(d) Adjustment on grain transactions (27d)	- 96	101	- 36	25
	(e) Inventory valuation adjustment (n.e.i.) ² (45h)	- 2	- 2	- 3	5
50	Government Surplus (+) or Deficit (-) (17)	440	648	1,044	214
51	Residual Error of Estimate	1	- 1	- 35	119
52	Total	3,371	3,848	4,941	4,461

1. Since these are included in both personal saving (item 48) and depreciation allowances and similar business costs (49b), they are deducted here to avoid double counting.

2. Portion not included in "adjustment on grain transactions" (see footnote 1, Table 15).

TABLE 17. National Saving and Investment Account, 1949-1952
Investment

No.		1949	1950	1951	1952
		(millions of dollars)			
53	Gross Domestic Investment ¹ :				
	(a) New residential construction (23ci)	742	801	781	803
	(b) New non-residential construction (23cii)	903	1,026	1,260	1,476
	(c) New machinery and equipment (23ciii)	1,323	1,389	1,769	1,859
	(d) Change in inventories (23civ)	231	960	1,620	278
54	Net Foreign Investment ² :				
	(a) U.S.A. (35a)	- 570	- 384	- 928	- 814
	(b) U.K. and other Sterling Area (35b)	551	- 1	193	484
	(c) Other countries (35c)	193	55	211	494
55	Residual Error of Estimate	- 2	2	35	- 119
56	Total	3,371	3,848	4,941	4,461

1. See footnote 3, Table 2. For reconciliation with "private and public investment" figures published by the Department of Trade and Commerce, see Table 51.

2. See footnote 1, Table 12.

TABLE 18. Sector Accounts Consolidation, 1949-1952
National Income and Gross National Product

No.		1949	1950	1951	1952
		(millions of dollars)			
	Income Originating In:				
	Personal Sector:				
1	Wages, salaries and supplementary labour income	206	216	243	263
2	Business Sector	12,207	13,542	15,828	16,546
3	Wages, salaries and supplementary labour income	6,679	7,162	8,347	9,276
4	Net income received by farm operators from farm production.....	1,600	1,402	2,142	1,909
5	Adjustment on grain transactions	- 96	101	- 36	25
6	Net income of non-farm unincorporated business	1,369	1,444	1,503	1,522
7	Corporation profits (excluding interest and dividends from non-res- idents	1,884	2,476	2,781	2,586
8	Other investment income (excluding interest on the public debt) ...	771	957	1,091	1,228
9	Government Sector	1,088	1,176	1,392	1,593
10	Wages, salaries and supplementary labour income	876	933	1,086	1,204
11	Military pay and allowances	115	137	201	270
12	Portion of interest on the public debt included in National Income	97	106	105	119
13	Non-residents' Sector	-307	-384	-335	-267
	Interest and Dividends paid by all countries:				
14	(a) To Canadian corporations	22	30	29	54
15	(b) To other Canadian sectors	61	61	86	92
	Less interest and dividends received by all countries:				
16	(a) From Canadian business	- 332	- 411	- 382	- 347
17	(b) From Canadian governments	- 58	- 64	- 68	- 66
18	Net National Income at Factor Cost	13,194	14,550	17,128	18,135
19	Depreciation allowances and similar business costs	1,437	1,636	1,889	2,070
20	Indirect taxes	1,907	2,081	2,596	2,784
21	Less subsidies	- 77	- 63	- 128	- 97
22	Residual Error of Estimate	1	- 1	- 35	119
23	Gross National Product at Market Prices	16,462	18,203	21,450	23,011

TABLE 19. Sector Accounts Consolidation, 1949-1952
Gross National Expenditure

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Personal Expenditure on Consumer Goods and Services	10,963	12,029	13,297	14,334
2	Purchases from business	10,528	11,544	12,714	13,665
3	Purchases of direct services	206	216	243	263
4	Purchases from non-residents	229	269	340	406
5	Government Expenditure on Goods and Services	2,128	2,326	3,212	4,216
6	Purchases from business	1,040	1,150	1,320	2,623
7	Wages and salaries	876	933	1,086	1,204
8	Military pay and allowances	115	137	201	270
9	Interest	97	106	105	119
10	Gross Domestic Investment	3,199	4,176	5,430	4,416
11	New residential construction	742	801	781	803
12	New non-residential construction	903	1,026	1,260	1,476
13	New machinery and equipment	1,323	1,389	1,769	1,859
14	Change in inventories	231	960	1,620	278
15	Exports of Goods and Services	4,011	4,183	5,089	5,581
16	Payments to Canadian business	3,950	4,122	5,003	5,489
17	Payments to Other Sectors	61	61	86	92
18	Imports of Goods and Services	- 3,837	- 4,513	- 5,613	- 5,417
19	Receipts from Canadian business	- 3,550	- 4,180	- 5,205	- 4,945
20	Receipts from persons	- 229	- 269	- 340	- 406
21	Receipts from government	- 58	- 64	- 68	- 66
22	Residual Error of Estimate	- 2	2	35	- 119
23	Gross National Expenditure at Market Prices	16,462	18,203	21,450	23,011

Section 2

**INDUSTRIAL DISTRIBUTION OF
NATIONAL INCOME AND OTHER AGGREGATES**

TABLE 20. National Income, by Industry¹, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	Business:				
1	Agriculture	1,693	1,709	2,330	2,181
2	Forestry	210	257	377	367
3	Fishing and Trapping	66	78	92	62
4	Mining, Quarrying and Oilwells	448	570	688	718
5	Manufacturing	3,942	4,471	5,127	5,365
6	Construction	776	809	857	1,008
7	Transportation, Storage and Communication	1,338	1,489	1,749	1,880
	Public Utility Operation				
	Trade:				
8	Wholesale	675	762	863	917
9	Retail	1,310	1,401	1,511	1,613
10	Finance, Insurance and Real Estate	853	1,026	1,189	1,286
11	Service ²	1,102	1,186	1,288	1,412
12	Government ³	1,088	1,176	1,392	1,593
13	Non-Residents	- 307	- 384	- 335	- 267
14	Total	13,194	14,550	17,128	18,135

1. For difference between this classification and the Standard Industrial Classification, see National Accounts Income and Expenditure 1926-1950, page 120.

2. Includes income originating in the personal sector, see Table 18.

3. Includes government non-business transactions only. Income originating in government business enterprises is included in the appropriate industrial groups within the business sector.

TABLE 21. Wages, Salaries and Supplementary Labour Income, by Industry, 1949-1952

No.		1949	1950	1951	1952
	Business:				
1	Agriculture	143	157	171	188
2	Forestry	188	220	335	327
3	Fishing and Trapping	13	14	15	14
4	Mining, Quarrying and Oilwells	256	298	356	407
5	Manufacturing	2,669	2,854	3,344	3,704
6	Construction	571	581	640	769
7	Transportation, Storage and Communication	1,039	1,084	1,265	1,396
	Public Utility Operation				
	Trade:				
8	Wholesale	423	456	529	600
9	Retail	692	751	854	930
10	Finance, Insurance and Real Estate	291	318	365	400
11	Service ¹	600	645	716	804
12	Government ²	991	1,070	1,287	1,474
13	Total	7,876	8,448	9,877	11,013

1. Includes income originating in the personal sector. See Table 18.

2. Includes military pay and allowances; see also footnote 3, Table 20.

TABLE 22. Corporation Profits before Taxes, by Industry 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	Business:				
	Agriculture				
1	Forestry	10	19	20	..
	Fishing and Trapping				
2	Mining, Quarrying and Oilwells	187	265	325	..
3	Manufacturing	1,060	1,404	1,561	..
4	Construction	42	52	46	..
5	Transportation, Storage and Communication				
	Public Utility Operation	114	169	228	..
	Trade:				
6	Wholesale	157	223	254	..
7	Retail	171	186	172	..
8	Finance, Insurance and Real Estate	127	151	163	..
9	Service	38	37	41	..
10	Total Corporation Profits Before Taxes	1,906	2,506	2,810	2,640
11	Non-Residents¹	- 317	- 404	- 370	- 334
12	Total	1,589	2,102	2,440	2,306

1. Dividends paid to non-residents. See Table 45.

TABLE 23. Investment Income Excluding Corporation Profits, by Industry¹, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	Business:				
	Agriculture				
1	Forestry	41	46	50	..
	Fishing and Trapping				
	Mining, Quarrying and Oilwells				
2	Manufacturing	28	22	38	..
3	Construction	4	5	7	..
4	Transportation, Storage and Communication				
	Public Utility Operation	131	186	198	..
	Trade:				
5	Wholesale	14	14	17	..
6	Retail	116	121	126	..
7	Finance, Insurance and Real Estate	400	516	608	..
8	Service	15	17	18	..
9	Government²	97	106	105	119
10	Non-Residents³	10	20	35	67
11	Total	856	1,053	1,202	1,360

1. This is a heterogeneous aggregate including items such as interest, net rents, and trading profits of government business enterprises.

2. See also footnote 3 Table 20.

3. Includes interest paid to non-residents, reduced by interest and dividends received from non-residents.

TABLE 24. Net Income of Unincorporated Business, by Industry, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	Business:				
1	Agriculture	1,504	1,503	2,106	1,934
2	Forestry	16	21	25	24
3	Fishing and Trapping	52	63	76	48
4	Mining, Quarrying and Oilwells	7	8	8	7
5	Manufacturing	185	191	184	152
6	Construction	159	171	164	189
7	Transportation, Storage and Communication	54	50	58	52
	Public Utility Operation				
	Trade:				
8	Wholesale	81	69	63	60
9	Retail	331	343	359	382
10	Finance, Insurance and Real Estate	35	41	53	60
11	Service	449	487	513	548
12	Total	2,873	2,947	3,609	3,456

TABLE 25. Gross Domestic Investment (Excluding Inventories), by Industry¹, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Agriculture	419	473	515	566
	Fishing and Trapping				
2	Forestry	26	34	58	35
3	Mining, Quarrying and Oil Wells	122	119	181	211
4	Manufacturing	536	502	793	942
5	Construction	55	71	66	71
6	Transportation, Storage and Communication	678	718	898	1,094
	Public Utility Operation				
7	Trade	193	234	235	185
8	Finance, Insurance and Real Estate ²	774	861	850	846
9	Service ³	165	204	214	188
10	Total	2,968	3,216	3,810	4,138

1. This Table is derived from "Private and Public Investment in Canada 1926-1951", Outlook 1952 and Outlook 1953 (Department of Trade and Commerce); adjustments have been made to bring the data into line with National Accounting concepts. See reconciliation statement, Table 51.

2. Includes all new residential construction, (exclusive of government other than government business enterprises). See Table 2, Line 3.

3. Excludes government departmental expenditures, federal and provincial hospital, and municipal school expenditures, which are included with "Government Expenditure on Goods and Services". Investment expenditure of government business enterprises (railways, power commissions, etc.) are included under appropriate industry headings.

TABLE 26. Investment in Inventories, by Industry, 1949-1952¹

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Agriculture ²	- 72	131	354	238
2	Forestry	- 34	12	61	5
3	Fishing and Trapping.....	—	—	—	—
4	Mining, Quarrying and Oil Wells	4	5	14	8
5	Manufacturing	104	329	723	- 98
6	Construction	33	34	53	7
7	Transportation, Storage and Communication	- 15	10	28	21
8	Public Utility Operation	16	- 7	14	6
	Trade:				
9	Grain in Commercial Channels ²	- 16	60	- 1	92
10	Wholesale (excluding grain in commercial channels)	58	183	237	- 18
11	Retail	146	198	120	17
	Finance, Insurance and Real Estate		1	1	—
12	Service	7	4	16	—
13	Total	231	960	1, 620	278

1. Excludes government inventories, other than those held by government business enterprises.

2. Data shown represent "value of physical change". For other industries, data shown are "change in book value".

Section 3

GEOGRAPHICAL DISTRIBUTION OF PERSONAL INCOME

TABLE 27. Personal Income, Geographical Distribution, 1949-1952¹

No.		1949	1950	1951	1952
1	Newfoundland ²	163	179	208	233
2	Prince Edward Island	51	54	62	71
3	Nova Scotia	449	465	502	558
4	New Brunswick	315	330	367	402
5	Quebec	3,106	3,290	3,745	4,056
6	Ontario	4,953	5,306	6,166	6,714
7	Manitoba	736	758	862	914
8	Saskatchewan	832	745	1,087	1,182
9	Alberta	896	922	1,175	1,251
10	British Columbia ³	1,227	1,336	1,495	1,644
11	Foreign Countries ⁴	8	6	17	23
12	Personal Bad Debts (not distributed by Province)	21	23	25	25
13	Canada	12,757	13,414	15,711	17,073

1. Geographical distributions of the main components only of personal income are given in Tables 28 to 31 inclusive; these tables, therefore, do not add to the total of personal income.

2. These estimates must be regarded as provisional, since the statistical coverage of Newfoundland is not yet as complete as for other provinces.

3. Includes Yukon and North West Territories. In 1950 personal income of the Yukon and North West Territories was approximately \$15 million.

4. Includes receipts of income of Canadians temporarily abroad, including pay and allowances of Canadian armed forces abroad.

TABLE 28. Wages, Salaries, and Supplementary Labour Income, Geographical Distribution, 1949-1952¹

No.		1949	1950	1951	1952
1	Newfoundland ²	102	109	131	152
2	Prince Edward Island	21	21	24	27
3	Nova Scotia	281	283	324	358
4	New Brunswick	190	197	230	248
5	Quebec	2,050	2,162	2,518	2,772
6	Ontario	3,246	3,507	4,152	4,605
7	Manitoba	397	412	469	521
8	Saskatchewan	262	276	308	348
9	Alberta	406	460	520	597
10	British Columbia ³	802	880	995	1,109
11	Foreign Countries	4	4	5	6
12	Canada	7,761	8,311	9,676	10,743

1. Excludes military pay and allowances.

2. These estimates must be regarded as provisional, since the statistical coverage of Newfoundland is not yet as complete as for other provinces.

3. Includes Yukon and North West Territories.

TABLE 29. Interest, Dividends, and Net Rental Income of Persons, Geographical Distribution, 1949-1952

No.		1949	1950	1951	1952
1	Newfoundland ¹	11	14	15	16
2	Prince Edward Island	4	5	5	6
3	Nova Scotia	40	41	40	44
4	New Brunswick	27	30	31	33
5	Quebec	267	303	321	349
6	Ontario	492	544	594	646
7	Manitoba	61	71	72	76
8	Saskatchewan	60	76	96	107
9	Alberta	68	78	98	103
10	British Columbia ²	127	133	148	160
11	Foreign Countries	—	—	—	—
12	Canada	1,157	1,295	1,420	1,540

1. These estimates must be regarded as provisional, since the statistical coverage of Newfoundland is not yet as complete as for other provinces.

2. Includes Yukon and North West Territories.

TABLE 30. Net Income Received by Farm Operators From Farm Production and Net Income of Non-Farm Unincorporated Business, Geographical Distribution, 1949-1952¹

No.		1949	1950	1951	1952
1	Newfoundland ²	33	36	39	36
2	Prince Edward Island	19	20	25	28
3	Nova Scotia	78	86	87	82
4	New Brunswick	67	68	72	74
5	Quebec	581	580	681	623
6	Ontario	966	990	1,125	1,016
7	Manitoba	232	215	271	247
8	Saskatchewan	441	327	619	646
9	Alberta	362	316	489	463
10	British Columbia ³	190	208	237	216
11	Foreign Countries	—	—	—	—
12	Canada	2,969	2,846	3,645	3,431

1. This item differs from the total of lines 4 and 5, Table 1, in that it excludes undistributed earnings (and the inventory valuation adjustment) of the Canadian Wheat Board, on a calendar year basis.

2. These estimates must be regarded as provisional, since the statistical coverage of Newfoundland is not yet as complete as for other provinces.

3. Includes Yukon and North West Territories.

TABLE 31. Government Transfer Payments, Excluding Interest, Geographical Distribution, 1949-1952

No.		1949	1950	1951	1952
1	Newfoundland ¹	19	22	24	30
2	Prince Edward Island	7	7	7	10
3	Nova Scotia	47	49	47	62
4	New Brunswick	36	39	38	51
5	Quebec	246	285	275	356
6	Ontario	281	293	306	439
7	Manitoba	50	65	54	69
8	Saskatchewan	73	70	70	86
9	Alberta	63	72	71	89
10	British Columbia ²	126	130	137	177
11	Foreign Countries	2	1	1	1
12	Canada	950	1,033	1,030	1,370

1. These estimates must be regarded as provisional, since the statistical coverage of Newfoundland is not yet as complete as for other provinces.

2. Includes Yukon and North West Territories.

Section 4
GOVERNMENT SUPPLEMENTARY TABLES

TABLE 32. Government Revenue and Expenditure, by Level of Government, 1949-1952¹
Revenue

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Direct Taxes – Persons	789	740	1,028	1,320
2	Federal	707	654	932	1,223
3	Provincial and Municipal	82	86	96	97
4	Direct Taxes – Corporations	731	981	1,429	1,372
	Income and Excess Profits:				
5	Federal	601	835	1,240	1,267
6	Provincial	130	146	189	105
	Withholding Taxes:				
7	Federal	47	54	56	55
8	Indirect Taxes	1,907	2,081	2,596	2,784
9	Federal	1,048	1,115	1,495	1,595
10	Provincial and Municipal	859	966	1,101	1,189
11	Investment Income	357	400	443	495
12	Federal	110	134	152	187
13	Provincial and Municipal	247	266	291	308
14	Employer and Employee Contributions to Social Insurance and Pension Funds	239	256	313	336
15	Federal	141	159	200	218
16	Provincial and Municipal	98	97	113	118
	Transfers from Other Governments:				
17	Provincial and Municipal	182	251	259	367
18	Total Revenue	4,252	4,763	6,124	6,729
19	Federal	2,654	2,951	4,075	4,545
20	Provincial and Municipal	1,598	1,812	2,049	2,184
21	Deficit (+) or Surplus (-)	-440	-648	-1,044	-214
22	Federal ²	-497	-640	-1,026	-188
23	Provincial and Municipal	57	- 8	- 18	- 26
24	Total Revenue Plus Deficit (or Minus Surplus)	3,812	4,115	5,080	6,515
25	Federal	2,157	2,311	3,049	4,357
26	Provincial and Municipal	1,655	1,804	2,031	2,158

1. For total government revenue and expenditure excluding inter-governmental transfers, see Tables 8 and 9.
2. For the difference between this item and the conventional budgetary surplus, see reconciliation, Table 50.

TABLE 33. Government Revenue and Expenditure, by Level of Government, 1949-1952¹
Expenditure

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Goods and Services	2,128	2,326	3,212	4,216
2	Federal ²	880	980	1,678	2,496
3	Provincial and Municipal	1,248	1,346	1,534	1,720
4	Transfer Payments	1,425	1,475	1,481	1,835
5	Federal	1,022	1,020	987	1,400
6	Provincial and Municipal	403	455	494	435
7	Subsidies	77	63	128	97
8	Federal	73	60	125	94
9	Provincial and Municipal	4	3	3	3
	Transfers to Other Governments:				
10	Federal	182	251	259	367
11	Total Expenditure	3,812	4,115	5,080	6,515
12	Federal	2,157	2,311	3,049	4,357
13	Provincial and Municipal	1,655	1,804	2,031	2,158

1. For total government revenue and expenditure excluding inter-governmental transfers, see Tables 8 and 9.

2. Includes defence expenditure of \$361 million in 1949, \$493 million in 1950, \$1,143 million in 1951; and \$1,832 million in 1952.

TABLE 34. Direct Taxes – Persons, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	FEDERAL:				
1	Income	670	612	891	1,177
2	Excess Profits	4	—	—	—
3	Succession Duties	26	35	35	39
4	Miscellaneous	7	7	6	7
5	Total	707	654	932	1,223
	PROVINCIAL AND MUNICIPAL:				
6	Income	3	—	—	—
7	Motor Vehicle Licences and Permits ¹	21	24	27	30
8	Succession Duties	29	31	34	32
9	Hospital (Saskatchewan and B.C.)	15	18	21	21
10	Miscellaneous	14	13	14	14
11	Total	82	86	96	97
12	GRAND TOTAL	789	740	1,028	1,320

1. Personal share only. The business share is treated as an indirect tax.

TABLE 35. Direct Taxes — Corporations, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	FEDERAL:				
1	Income	601	835	1,240	1,267
	PROVINCIAL:				
	Income:				
2	Provinces under Taxation Agreements	28	28	39	25
3	Provinces not under Taxation Agreements (excluding mining tax)	95	111	139	68
4	Tax on Mining Profits (Ont., P.Q., B.C.)	7	7	11	12
5	Total	130	146	189	105
6	GRAND TOTAL	731	981	1,429	1,372

TABLE 36. Indirect Taxes, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	FEDERAL:				
1	Banks and insurance companies	4	4	4	5
2	Customs import duties	230	257	355	369
3	Excise duties	212	226	233	245
4	Excise taxes	590	620	889	960
5	Miscellaneous	12	8	14	16
6	Total	1,048	1,115	1,495	1,595
	PROVINCIAL AND MUNICIPAL:				
7	Amusement	24	21	22	24
8	Corporation tax (not on profits)	21	23	25	16
9	Gasoline	138	156	178	194
10	Licences, fees and permits	37	39	35	34
11	Motor vehicle licences and permits ¹	36	42	46	50
12	Public domain	63	78	86	99
13	Real and personal property	375	406	468	512
14	Retail sales tax (incl. liquor and tobacco)	89	112	129	142
15	Miscellaneous	76	89	112	118
16	Total	859	966	1,101	1,189
17	GRAND TOTAL	1,907	2,081	2,596	2,784

1. Business share only. The personal share is treated as a direct tax.

TABLE 37. Investment Income, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	FEDERAL:				
1	Interest on government-held public funds	23	27	30	38
2	Interest on loans, advances and investments	81	62	76	86
3	Profits (net of losses) of government business enterprises	6	45	46	63
4	Total	110	134	152	187
	PROVINCIAL AND MUNICIPAL:				
5	Interest on government-held public funds	30	32	34	36
6	Interest on loans, advances and investments	31	34	40	45
7	Profits (net of losses) of government business enterprises	186	200	217	227
8	Total	247	266	291	308
9	GRAND TOTAL	357	400	443	495

TABLE 38. Employer and Employee Contributions to Social Insurance and Pension Funds, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	FEDERAL:				
1	Public service pensions	35	41	48	64
2	Unemployment insurance	106	118	152	154
3	Total	141	159	200	218
	PROVINCIAL AND MUNICIPAL:				
4	Public service pensions	29	34	37	40
5	Workmen's compensation	63	54	64	65
6	Industrial employees' vacations	6	9	12	13
7	Total	98	97	113	118
8	GRAND TOTAL	239	256	313	336

TABLE 39. Expenditure on Goods and Services, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	FEDERAL:				
1	Wages, salaries and supplementary labour income	315	330	404	454
2	Military pay and allowances	115	137	201	270
3	Interest on public debt incurred to finance existing real assets	22	22	20	20
4	Changes in inventories of government commodity agencies ¹	32	-19	-16	77
5	Other purchases of goods and services	396	510	1,069	1,675
6	Total²	880	980	1,678	2,496
	Provincial and Municipal:				
7	Wages, salaries and supplementary labour income:				
8	Municipal school corporations	198	206	230	260
9	Other (excl. water works)	363	397	452	490
10	Interest on public debt incurred to finance existing real assets	75	84	85	99
11	Other purchases of goods and services	612	659	767	871
12	Total	1,248	1,346	1,534	1,720
	GRAND TOTAL	2,128	2,326	3,212	4,216

1. Includes change in inventories of Agricultural Prices Support Board and Agricultural Products Board. Does not include change in inventories financed out of the Defence Production Revolving Fund, which is included with "other purchases of goods and services."

2. Defence expenditure included in this total is as follows:

1949	—	\$361 million
1950	—	\$493 million
1951	—	\$1,143 million
1952	—	\$1,832 million

TABLE 40. Government Transfer Payments Including Interest, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	FEDERAL:				
1	Family Allowances	291	307	318	330
2	War Service Gratuities	—	—	—	3
3	Re-establishment Credits	25	18	11	7
4	Rehabilitation Benefits	31	18	10	5
5	Pensions World Wars I and II ¹	87	87	87	115
6	War Veterans' Allowances	24	27	27	30
7	Unemployment Insurance Benefits	69	99	77	119
8	Prairie Farm Assistance Act	18	14	10	5
9	Pensions to Government Employees	14	18	21	23
10	Interest on Debt not Incurred to Finance Existing Real Assets	439	405	407	421
11	Miscellaneous	24	27	19	25
12	Old Age Security Fund payments	—	—	—	317
13	Total	1,022	1,020	987	1,400
	PROVINCIAL AND MUNICIPAL:				
14	Direct Relief	17	29	24	20
15	Workmen's Compensation Benefits	40	41	45	48
16	Old Age Pensions	129	144	150	60
17	Mothers' Allowances	16	19	20	21
18	Pensions to Government Employees	15	17	19	19
19	Provincial and Municipal Grants to Private Non-Commercial Institutions	136	153	175	203
20	Interest on Debt not Incurred to Finance Existing Real Assets	36	37	44	44
21	Miscellaneous	14	15	17	20
22	Total	403	455	494	435
23	GRAND TOTAL	1,425	1,475	1,481	1,835

1. Excludes pensions paid to non-residents, which are treated as government expenditure on goods and services. In 1952, the amount excluded was \$12 million.

TABLE 41. Subsidies, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	FEDERAL:				
	Department of Agriculture:				
1	Feed freight assistance, Western grain	14	15	16	19
2	Hog premiums	4	5	5	7
3	Agricultural Prices Support Board loss	4	4	2	32
4	Special payment to farmers, U.K. Wheat Agreement	—	—	65	—
5	Miscellaneous	2	6	1	3
6	Total Agriculture	24	30	89	61
	OTHER FEDERAL SUBSIDIES:				
7	Emergency Gold Mines Assistance Act	14	10	10	12
8	Drawback to Millers	11	—	—	—
9	Maritime Freight Rates Act	7	8	11	10
10	Movement of coal	3	3	4	6
11	Canadian Wheat Board trading loss	4	2	—	—
12	Commodity Prices Stabilization Corporation	1	—	—	—
13	Miscellaneous	9	7	11	5
14	Total Other	49	30	36	33
15	Total Federal Subsidies	73	60	125	94
16	Total Provincial Subsidies	4	3	3	3
17	GRAND TOTAL ALL SUBSIDIES	77	63	128	97

TABLE 42. Transfers to Other Governments, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	FEDERAL:				
1	Old age and blind pensions	77	101	106	44
2	Subsidies to provinces	18	19	19	21
3	Taxation agreements ¹	67	82	86	244
4	Health grants to provinces	12	19	22	27
5	Miscellaneous	8	30 ²	26	31
6	TOTAL	182	251	259	367

1. An adjustment has been made to exclude provincial corporation taxes collected by the federal government (net of remittances to the provinces) from the figures.

2. Includes \$13 million Manitoba flood relief.

Section 5
MISCELLANEOUS TABLES

TABLE 43. Personal Expenditure on Consumer Goods and Services, 1949-1952¹

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Food	2,882	3,039	3,515	3,683
2	Tobacco and Alcoholic Beverages	1,044	1,094	1,155	1,243
3	Clothing and Personal Furnishings	1,569	1,568	1,707	1,823
4	Shelter ²	1,190	1,376	1,554	1,731
5	Household Operation	1,398	1,504	1,597	1,767
6	Transportation	1,220	1,475	1,567	1,687
7	Personal and Medical Care and Death Expenses	678	730	813	887
8	Miscellaneous	982	1,243	1,389	1,513
9	Grand Total	10,963	12,029	13,297	14,334
10	Durable Goods ³	1,084	1,343	1,382	1,532
11	Non-Durable Goods	6,799	7,241	8,016	8,470
12	Services ⁴	3,080	3,445	3,899	4,332

1. For complete list of content of groups, see "National Accounts, Income and Expenditure, 1926-1950", page 123.

2. Excludes transient shelter.

3. Includes jewellery, watches, clocks, silverware, home furnishings, furniture, appliances and radios, and automobiles. Non-specified durable goods are included residually with non-durable goods.

4. Includes net expenditure abroad.

TABLE 44. Personal Income (or Expenditure) in Kind, 1949-1952¹

No.		1949	1950	1951	1952
		(millions of dollars)			
	Food:				
1	Farm consumed farm produce	227	210	239	237
2	Other ²	57	62	90	90
	Shelter:				
3	Imputed Residential Rent	590	701	804	904
4	Imputed Lodging, Non-Residential ³	18	19	22	23
5	Other ⁴	102	111	126	131
6	Total Income in Kind	994	1,103	1,281	1,385

1. Included in Table 43.

2. Includes food issued to members of the armed forces and to employees in lieu of wages.

3. Lodging in bunk houses, ships, hotels, etc., furnished to employees in lieu of wages.

4. Includes clothing issued to the armed forces, wood fuel cut and used on farms, and estimated services rendered by banks to persons without specific charge.

TABLE 45. Analysis of Corporation Profits, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Corporation Profits before Taxes	1,906	2,506	2,810	2,640
2	Deduct: Income and Excess Profits Taxes	- 731	- 981 ¹	- 1,429 ¹	- 1,372 ¹
3	Corporation Profits after Taxes	1,175	1,525	1,381	1,268
4	Deduct: Dividends Paid to Non-Residents	- 317	- 404	- 370	- 334
5	Corporation Profits Retained in Canada	858	1,121	1,011	934
6	Deduct: Dividends Paid to Canadian Persons	- 228	- 252	- 263	- 270
7	Charitable Contributions from Corporations	- 23	- 25	- 27	- 30
8	Undistributed Corporation Profits	607	844	721	634

1. Includes elective tax on undistributed income of \$54 million in 1950, \$48 million in 1951 and \$10 million in 1952.

TABLE 46. Depreciation Allowances and Similar Business Costs, 1949-1952, Classified By "Type" and "Form of Organization"

No.		1949	1950	1951	1952
		(millions of dollars)			
	By Type:				
1	Charges Relating to Capital Consumption ¹	1,382	1,572	1,819	1,993
2	Other Charges ²	55	64	70	77
3	Total Depreciation Allowances and Similar Business Costs (1 + 2) = (4 + 5 + 6)	1,437	1,636	1,889	2,070
	By Form of Organization:				
4	Corporations	782	852	997	1,095
5	Individuals and Unincorporated Business ³	576	678	767	836
6	Government Business Enterprises	79	106	125	139

1. Includes charges for depreciation, obsolescence, amortization; capital outlay charged to current expense; and claim portion of business and residential property insurance.

2. Includes bad debt charges (less recoveries) and claim portion of business theft, liability and fidelity insurance.

3. Includes co-operatives and non-commercial institutions.

TABLE 47. Gross National Expenditure in Constant (1935-1939) Dollars, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Personal Expenditure on Consumer Goods and Services	6,612	7,022	6,991	7,381
2	Government Expenditure on Goods and Services	1,321	1,375	1,692	2,169
	Gross Domestic Investment:				
3	New Residential Construction	332	340	291	290
4	New Non-Residential Construction	516	554	606	665
5	New Machinery and Equipment	788	784	893	934
6	Change in Inventories	48	389	657	257
7	Exports of Goods and Services	2,016	2,027	2,220	2,453
8	Deduct: Imports of Goods and Services	- 1,910	- 2,095	- 2,340	- 2,442
9	Sub Total	9,723	10,396	11,010	11,707
10	Residual Error of Estimate	- 1	1	18	- 60
11	Adjusting Entry ¹	-	- 67	- 129	- 93
12	Gross National Expenditure in Constant (1935-1939) Dollars	9,722	10,330	10,899	11,554

1. The price indexes from 1949 to 1952, as shown in Table 4, were converted to a 1935-1939 base, using 1949 as the year of overlap between old and new series. They were then divided into the current dollar figures of Table 2, to give the constant (1935-1939) dollar series shown above. This procedure was followed in the case of Gross National Expenditure, line 12, as well as the major components (lines 1 to 10). A small residual difference, produced by the change in the major group weighting system, was entered to make the constant dollar components add up to the given amount of Gross National Expenditure in constant (1935-1939) dollars.

**TABLE 48. Implicit Price Deflators — Gross National Expenditure, 1949-1952
(1935 - 1939 = 100)**

No.		1949	1950	1951	1952
1	Personal Expenditure on Consumer Goods and Services	165.8	171.3	190.2	194.2
2	Government Expenditure on Goods and Services	161.1	169.2	189.8	194.4
	Gross Domestic Investment:				
3	New Residential Construction	223.7	235.8	268.7	276.7
4	New Non-Residential Construction	175.0	185.2	207.9	221.9
5	New Machinery and Equipment	167.9	177.1	198.1	199.0
6	Exports of Goods and Services	199.0	206.4	229.2	227.5
7	Deduct: Imports of Goods and Services	200.9	215.4	239.9	221.8
8	Residual Error of Estimate	167.7	171.9	191.7	199.6
9	Gross National Expenditure	167.7	171.9	191.7	199.6

Section 6
RECONCILIATION STATEMENTS

TABLE 49. Accrued Net Income of Farm Operators from Farm Production, 1949-1952
Reconciliation Statement

No.		1949	1950	1951	1952
1	Net Income of Farm Operators from Farming Operations¹	1,652	1,452	2,193	1,956
2	Deduct: Amounts Included in Investment Income ²	- 34	- 36	- 41	- 42
3	Deduct: Transfer Payments under Prairie Farm Assistance Act ³	- 18	- 14	- 10	- 5
4	Equals: Net Income Received by Farm Operators From Farm Production	1,600	1,402	2,142	1,909
5	Adjustment on grain transactions ⁴	- 96	101	- 36	25
6	Accrued Net Income of Farm Operators from Farm Production⁵	1,504	1,503	2,106	1,934

1. These figures are as published by the Agriculture Division, Dominion Bureau of Statistics, with the exception that provisional estimates for Newfoundland are included, and that for the year 1949, an adjusted figure of \$1,640 million (excluding Newfoundland) has been issued.

2. This item includes corporation profits in agriculture and imputed net rent of owner-occupied houses.

3. These items are deducted since transfer payments are excluded from "Net National Income at Factor Cost".

4. Since the National Income purports to measure earnings out of current production rather than receipts of income, it is appropriate to include in Table 1 income accruing to farm operators from farm production rather than income received. Accordingly, an adjustment, consisting of two parts, is made. The first part takes account of the undistributed earnings of the Canadian Wheat Board. The second part of the adjustment allows for the fact that current earnings of this agency are calculated on the basis of the change in book values of inventories, whereas the required valuation of inventories for the National Accounts is the value of the physical change. All the figures are transformed to a calendar year basis.

5. See also Table 1.

TABLE 50. Federal Government Surplus, 1949-1952
Reconciliation Statement

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Surplus as per Public Accounts 1948-49, 1949-50, 1950-51, 1951-52, (fiscal years ended March 31) ¹	596	131	211	248
2	Difference between fiscal and calendar year	- 311	122	300	- 367
3	Extra-budgetary receipts, pension and social insurance funds	169	186	234	407
4	Excess of corporation tax accruals over collections	34	140	161	43
5	Revenue items omitted	- 62	- 73	- 67	- 49
6	Extra-budgetary expenditures, pension and social insurance funds	- 101	- 130	- 108	- 464
7	Reserves, write-offs and non-cash transactions charged to expenditure ..	154	130	167	190
8	Change in inventories of government commodity agencies	- 32	19	16	- 77
9	Shipment of previously produced military equipment to N.A.T.O. (less expenditures of Defence Equipment Replacement Account)	-	57	70	94
10	Other adjustments	50	58	42	163 ²
11	Surplus as per National Accounts (calendar years ended December 31)	497	640	1,026	188

1. It should be noted that the Public Accounts fiscal year figures include only three months of the calendar year in which the fiscal year ends. For example, fiscal year 1951-52 includes only January to March 1952, the balance of the fiscal year being in the calendar year 1951. An adjustment is therefore necessary to the fiscal figures to exclude the nine months which apply to the previous calendar year and to include the nine months of the current calendar year not covered by the fiscal year. This adjustment is made on the basis of published statements of the Comptroller of the Treasury.

2. Includes adjustment of \$91 million to convert interest on the public debt from an accrual to a "due date" basis, in order to retain comparability with the historical series.

TABLE 51. Gross Domestic Investment (excluding Inventories), 1949-1952
Reconciliation Statement

No.		1949	1950	1951	1952
		(millions of dollars)			
1	Total Private and Public Investment in Canada¹	3,502	3,815	4,577	5,122
2	Deduct: Government Housing ²	- 27	- 44	- 40	- 47
3	Deduct: Other Government Investment ³	- 500	- 555	- 727	- 937
4	Deduct: Other Adjustments ⁴	- 7	-	-	-
5	Total Gross Domestic Investment (excluding inventories) (1-2-3-4) = (6+7+8)	2,968	3,216	3,810	4,138
6	New Residential Construction ⁵	742	801	781	803
7	New Non-Residential Construction ⁵	903	1,026	1,260	1,476
8	New Machinery and Equipment ⁵	1,323	1,389	1,769	1,859

1. As defined in the publications "Private and Public Investment in Canada, 1926-1951" (Department of Trade and Commerce) and "Investment Outlook, 1953", (Dominion Bureau of Statistics).

2. Excluding residential construction under Veterans' Land Act and construction of veterans' rental housing by Central Mortgage and Housing Corporation.

3. Included in "Government Expenditure on Goods and Services".

4. Statistical discrepancy.

5. See also Table 2.

TABLE 52. Analysis and Reconciliation of Exports and Imports, 1949-1952

No.		1949	1950	1951	1952
		(millions of dollars)			
	Exports of Goods and Services:				
1	Merchandise Exports ¹	2,989	3,139	3,950	4,336
2	Gold available for Export ¹	139	163	150	150
3	Receipts from Services rendered to Non-Residents (including dividends and interest received from abroad)	961	995	1,211	1,373
4	Subtotal: "Current Receipts" as per "Canadian Balance of International Payments"¹	4,089	4,297	5,311	5,859
5	Adjustments ²	- 78	- 114	- 222	- 278
6	Total "Exports of Goods and Services" as per National Accounts³	4,011	4,183	5,089	5,581
	Imports of Goods and Services:				
7	Merchandise Imports ¹	2,696	3,129	4,097	3,846
8	Payments for Services rendered by Non-Residents (including interest and dividends paid abroad)	1,216	1,502	1,731	1,862
9	Subtotal: "Current Payments" as per "Canadian Balance of International Payments"¹ (Includes Mutual Aid to N.A.T.O. countries)	3,912	4,631	5,828	5,708
10	Adjustments ²	- 75	- 118	- 215	- 291
11	Total "Imports of Goods and Services" as per National Accounts³	3,837	4,513	5,613	5,417

1. As presented in reports on the "Canadian Balance of International Payments" (Balance of Payments Section, Dominion Bureau of Statistics).

2. Migrants' funds and inheritances, and Mutual Aid to N.A.T.O. Countries (1950-1952). In 1949, includes also a statistical discrepancy.

3. See also Table 2.

